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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* ARNOUD EKKER and OLIVER DE KERDREL

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10 Appeal 2009-006692
11 Application 09/353,625
12 Technology Center 3600
13

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15 Decided: January 29, 2010
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18 *Before*, MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI and BIBHU
19 R. MOHANTY, *Administrative Patent Judges*.

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21 CRAWFORD, *Administrative Patent Judge*.

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24 DECISION ON APPEAL
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STATEMENT OF CASE

Appellants appeal under 35 U.S.C. § 134 (2002) from a final rejection of claims 1 to 34. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellants invented a method and system for pricing events including system created events at an optimum time before a billing process. (Specification 1:7-10).

Claim 1 under appeal reads as follows:

1. An event pricing system, comprising:
at least one computer having:
a continuously running event creation process determining whether a system initiated and created non-usage event independent of user initiated events is due to be created and created non-usage event; and
a continuously running pricing the system-created non-usage events and non-system-created events as they become available to the system, where the pricing process includes pricing the system-created non-usage events and/or the non-system-created events independent of a billing process.

The Examiner rejected claims 1 to 10, 25, 26 and 31, 33 and 34 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

The Examiner rejected claims 1 to 20, 23 to 29, and 31 to 33 35 U.S.C. § 102(e) as being anticipated by Block.

The Examiner rejected claims 30 and 34 under 35 U.S.C. § 103(a) as being unpatentable over Block.

1 The Examiner rejected claims 21 and 22 under 35 U.S.C. § 103(a) as
2 being unpatentable over Block in view of Jagadish.

3 The prior art relied upon by the Examiner in rejecting the claims on
4 appeal is:

5 Jagadish	US 6,058,170	May 2, 2000
6 Block	US 6,377,938 B1	Apr. 23, 2002

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9 ISSUES

10 Have Appellants shown that the Examiner erred in rejecting claims 1
11 to 10, 25, 26, 30, 31, 33 and 34 under 35 U.S.C. § 101 because the claims
12 call for transforming an applicable event into a pricing event?

13 Have Appellants shown that the Examiner erred in rejecting the
14 claims under 35 U.S.C. §§ 102(e) and 103 because the prior art cited does
15 not disclose pricing the non-usage events as they become available to the
16 system where the pricing process is independent of a billing process?

17
18 FINDINGS OF FACT

19 Block discloses a method and system for real time subscriber billing
20 of subscribers that have prepaid subscriber accounts (col. 4, ll. 12 to 14; ll.
21 49 to 50). Block discloses that subscribers are billed for user initiated usage
22 events such as calls and for system created non usage events such as
23 monthly equipment rental fees (col. 7, line 55 to col. 8, line 6). Block
24 discloses that call charges are calculated in real time during the call and
25 stored in memory (col. 7, ll. 56 to 60). The Business Management System
26 50 notifies the Processor of payments made by the subscriber and the
27 processor in turn updates the subscriber payment account (col. 7, ll. 64 to

67). The Processor also updates the subscriber's account with system created non usage event charges and subtracts these charges from the subscribers account (col. 7, l. 67 to col. 8, l. 3).

PRINCIPLES OF LAW

Statutory subject matter

There are four categories of "process, machine, manufacture, or composition of matter" that define the explicit scope and reach of patent eligible subject matter under 35 U.S.C. §101. *See in re Nuijten*, 500 F.3d 1346, 1354 (Fed. Cir. 2007). *reh'g denied en banc*, 515 F.3d 1361 (Fed. Cir. 2008), *cert. Denied*, 129 S. Ct. 70 (2008) ("If a claim covers material not found in any of the four statutory categories, that claim falls outside the plainly expressed scope of § 101 even if the subject matter is otherwise new and useful.") Thus, a signal cannot be patentable subject matter because it is not within the four categories. *Id.* at 1357. Similarly, a "paradigm" does not fit within any of the four categories. *In re Ferguson*, 558 F.3d 1359, 1366 (Fed. Cir. 2009).

Software per se is similarly not within any of the four statutory categories and is not patent eligible subject matter. *See In re Chatfield*, 545 F.2d 152, 159 (CCPA 1976)(Rich, J., dissenting)("It has never been otherwise than perfectly clear to those desiring patent protection on inventions which are new and useful programs for general purpose computers (software) that the only way it could be obtained would be to describe and claims (35 U.S.C. § 112) the invention as a 'process' or a 'machine'").

1 The law in the area of patent-eligible subject matter for process
2 claims has recently been clarified by the Federal Circuit in, *In re Bilski*,
3 545 F.3d 943 (Fed. Cir. 2008) (en banc), *petition for cert. filed*, 77 USLW
4 3442 (U.S. Jan. 28, 2009) (No. 08-964).

5 The en banc court in *Bilski* held that “the machine-or-transformation
6 test, properly applied, is the governing test for determining patent
7 eligibility of a process under § 101.” *Id.* at 956. The court in *Bilski* further
8 held that “the ‘useful, concrete and tangible result’ inquiry is inadequate [to
9 determine whether a claim is patent-eligible under § 101.]” *Id.* at 959-60.

10 The court explained the machine-or-transformation test as follows: “A
11 claimed process is surely patent-eligible under § 101 if: (1) it is tied to a
12 particular machine or apparatus, or (2) it transforms a particular article into a
13 different state or thing.” *Id.* at 954 (citations omitted). The court explained
14 that “the use of a specific machine or transformation of an article must
15 impose meaningful limits on the claim's scope to impart patent-eligibility”
16 and “the involvement of the machine or transformation in the claimed
17 process must not merely be insignificant extra-solution activity.” *Id.* at 961-
18 62 (citations omitted).

19 The court declined to decide under the machine implementation
20 branch of the inquiry whether or when recitation of a computer suffices to
21 tie a process claim to a particular machine. *Id.* at 962. As to the
22 transformation branch of the inquiry, however, the court explained that
23 transformation of a particular article into a different state or thing “must be
24 central to the purpose of the claimed process.” *Id.* at 962. As to the
25 meaning of “article,” the court explained that chemical or physical

1 transformation of physical objects or substances is patent-eligible under
2 § 101. *Id.* at 962. The court also explained that transformation of data is
3 sufficient to render a process patent-eligible if the data represents physical
4 and tangible objects, *i.e.*, transformation of such raw data into a particular
5 visual depiction of a physical object on a display. *Id.* at 962-63. The court
6 further noted that transformation of data is insufficient to render a process
7 patent-eligible if the data does not specify any particular type or nature of
8 data and does not specify how or where the data was obtained or what the
9 data represented. *Id.* at 962 (citing *In re Abele*, 684 F.2d 902, 909 (CCPA
10 1982) (process claim of graphically displaying variances of data from
11 average values is not patent-eligible) and *In re Meyer*, 688 F.2d 789, 792-93
12 (CCPA 1982) (process claim involving undefined “complex system” and
13 indeterminate “factors” drawn from unspecified “testing” is not patent-
14 eligible)).

ANALYSIS

Rejection under 35 U.S.C. § 101

We will not sustain the Examiner's rejections under 35 U.S.C. § 101. In regard to claims 1 to 10, 25, 26 and 31, it is the Examiner's position that the claims recite software *per se*. Claim 1, from which claims 2 to 10 depend, and claims 25, 26 and 31, recite a system that includes a computer having a event creation process and a pricing process running thereon. As claims 1, 25 and 26 recite a computer, these claims are not directed to software *per se*.

Claim 30 recites a process that includes the step "storing events in a message queue." In our view, the recitation of storing events in a message queue ties the process to a particular machine.

Claim 33 recites a method that uses a computer to perform real-time calculations and continuously reflect events and maintain a summary of the bill. The computer puts a meaningful limit on the claim's scope as it is the computer that executes real-time bill calculations, continuously reflects the events and more importantly, displays the summary of the bill upon user demand. As such, we will not sustain the rejection as to this claim.

Claim 34 does not recite that the bill is displayed to the user on demand. Although claim 34 does recite that the steps use a computer, the use of the computer does not put meaningful limits on the scope of the claim. We also agree with the Examiner that the steps of "determining" and "executing" can be performed by the human mind.

We do not agree with the Appellants that claim 34 satisfies the transformation test. A non usage event such as a monthly fee and usage

1 event such as a phone call are not physical or tangible objects. Therefore,
2 we will sustain the Examiner's rejection as to this claim.

3 *Anticipation*

4 We will not sustain the Examiner's rejection of claim 1 under 35
5 U.S.C. § 102(e) as being unpatentable over Block. Claim 1 requires that the
6 pricing process for usage events and/or non-usage events is done as they
7 become available and independent of the billing process. The Examiner
8 directs our attention to column 5, line 55 to column 8, line 7 of Block for
9 disclosing that Block's processor performs a billing calculation for system
10 created events and non system created events and concludes that the
11 subscriber does not wait for the end of a billing cycle to receive billing
12 information.

13 Block discloses that call charges are deducted in real time from the
14 subscribers account and as such discloses that the pricing is done in
15 conjunction with a billing process. Block does disclose that the Processor
16 updates the subscriber's account with non-usage events such as flat charges.
17 However, this updating is done in conjunction with deducting or billing the
18 subscriber for the charges and are thus not independent of the billing
19 process. As such, there is no factual basis for the Examiner's finding that
20 the non-usage events are priced independent of the billing process. While
21 billing may be taking place outside a conventional billing cycle as found by
22 the Examiner, claim 1 requires that the pricing takes place independent of a
23 billing process and this is not the case in the Block system. Rather events
24 are priced and billed in real time. Therefore, we will not sustain the
25 Examiner's rejection of claim 1 or claims 2 to 10 dependent thereon.

We will also not sustain the rejection as it is directed to independent claims 11, 14, 19, 25 and 31 and claims 12, 13, 15 to 18, 20, 23, and 24 dependent thereon, because Block does not disclose the steps of determining whether a non-usage event is priceable and if priceable pricing the non-usage event at the first opportunity. Block also does not disclose that pricing of a non-usage event takes place independent of the billing process.

We will also not sustain the Examiner's rejection of claims 26 to 29, 32 and 33 because Block does not disclose a pricing process that is independent of the billing process for non-system or non user initiated events independent of the billing process. Rather, Block discloses that the pricing of non-system events such as calls are priced in conjunction with a billing process.

Obviousness

In this rejection, the Examiner relies on Block for teaching a pricing non-usage events independent of a billing process. We will not sustain the Examiner's rejection of claim 30 under 35 U.S.C. § 103(a) because as we found and discussed above Block does not disclose pricing non-usage events independent of the billing process and because Block does not suggest pricing non-usage events independent of the billing process.

We will sustain the Examiner's rejection of claim 34. Claim 34 does not recite that the pricing of non-usage events is done independent of the billing process. Appellants' arguments regarding the patentability of this claim amounts to no more than reciting the claim language. An argument by the Appellants that merely states what the claim recites will not be considered an argument for separate patentability of the claim. 37 CFR

1 § 41.37(c)(1)(vii).

2 We will not sustain the Examiner's rejection of claims 21 and 22
3 under 35 U.S.C. §103(a) as unpatentable over Block in view of Jagadish.
4 The Examiner relies on Jagadish for teaching that system initiated and
5 created events are created according to a schedule in the system. As claims
6 21 and 22 are dependent on claim 19 they include the requirement that
7 pricing of non-usage events takes place independent of the billing process
8 that we found lacking in Block.

9
10 CONCLUSION OF LAW

11 On the record before us, Appellants have shown that the Examiner
12 erred in rejecting claims 1 to 33. The Appellants have not shown that the
13 Examiner erred in rejecting claim 34.

14
15 DECISION

16 The Examiner's rejection of claims 1 to 33 is not sustained. The
17 Examiner's rejection of claim 34 is sustained.

18
19 AFFIRMED-IN-PART

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